

Advertising Age

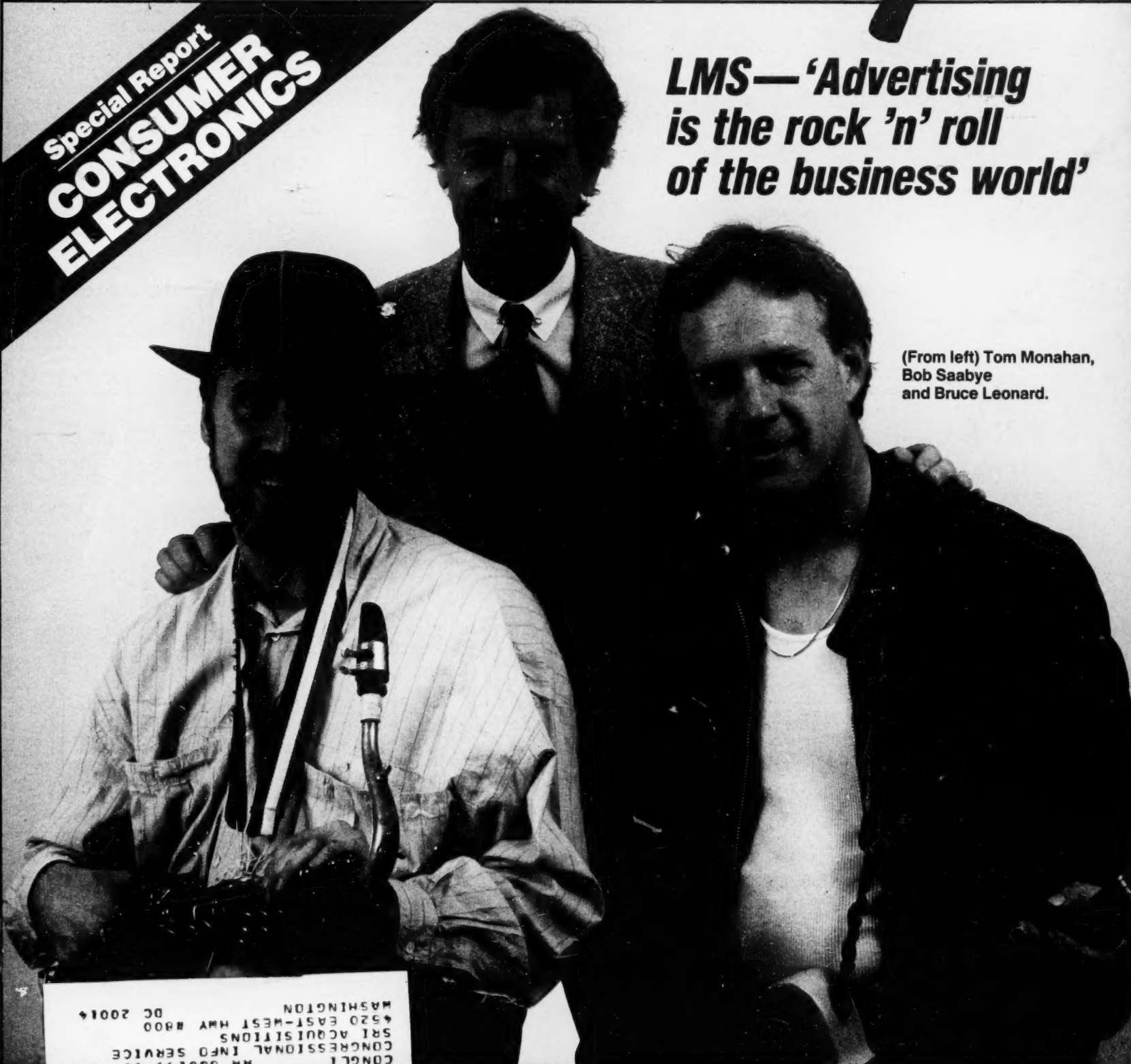
Thursday

Crain's Magazine of the Creative Process

Special Report
**CONSUMER
ELECTRONICS**

**LMS—'Advertising
is the rock 'n' roll
of the business world'**

(From left) Tom Monahan,
Bob Saabye
and Bruce Leonard.

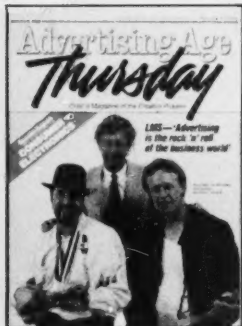


*****5-DIGIT 20014
CONGLI AA 860199 99 AYA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Thursday

LMS means fine ads

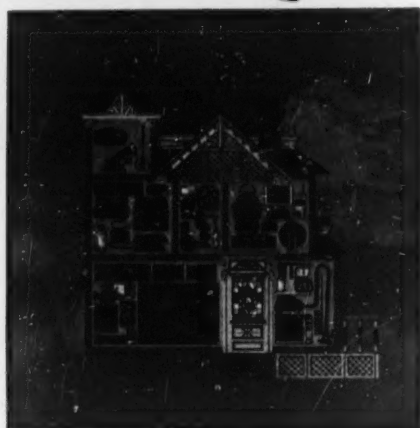
Leonard Monahan Saabye is the advertising equivalent of the rock world's overnight smash. A 6-year-old agency billing just \$20 million, it was unknown outside New England until it coolly walked away with 31 awards at New England's Hatch Advertising Awards (one of the nation's biggest regional awards shows) in September. A feat made more remarkable by the fact that they cleaned up 21 awards at the 1984 show. Further adding to the agency's rising reputation was the controversial decision to award "Best of Show" to LMS' consumer magazine campaign for Marlin Firearms. See Page 4.



Cover photo by Arnold Adler

Out of the agency

When the creative team of Gary Johns and Jeff Gorman left Chiat/Day to hang their shingle as independent tv commercial directors, they expected to wait six months for the phone to ring. Six months later, they didn't have a phone. Too busy. But they did have four commercials on their reel. And even though Johns & Gorman Films only recently rented office space, the principals are quickly gaining confidence that there is life after Chiat/Day. See Page 23.



Special Report—Consumer Electronics

Efficiency and entertainment are the building blocks of the consumer-electronics industry. Marketers are selling and consumers are buying products ranging from compact-disc players to computerized telephones and from stereo tvs to colorful small appliances. The Yankee Group estimates about 11% of American families are now "technologically advanced," meaning they use technology to improve their quality of life. Starting on Page 9.

to hate California" tag line added meaning. Chiat/Day, San Francisco, handles.

Merrill Lynch eyes five

NEW YORK—Merrill Lynch has narrowed to five the list of agencies in contention for its \$40 million account (AA, Nov. 18). Finalists are N W Ayer; Bozell, Jacobs, Kenyon & Eckhardt; Dancer Fitzgerald Sample; Grey Advertising, and incumbent Young & Rubicam.

Sweet ad news for tv

WASHINGTON—The Sugar Assn. is looking to tv advertising to fend off gains made by G.D. Searle & Co.'s NutraSweet and other sweeteners. The industry trade group will test tv for the first time in May as part of its \$3 million ad budget. A spot promoting sugar as a natural, low-calorie sweetener will air in two unnamed markets. North Castle Partners, Greenwich, Conn., handles.

Postal head is bottom-liner

WASHINGTON—The naming this week of Albert Casey, former chairman of American Airlines and former president of Times Mirror Co., as U.S. Postmaster General is expected to intensify U.S. Postal Service attention on its finances. Mr. Casey replaced postal veteran Paul Carlin, in office for just a year. The move was attributed in part to a push by the USPS board to become more competitive with growing private delivery services.

Jet America lowers fares

LONG BEACH, CAL.—Jet America Airlines this week introduced "Blue light specials," unannounced. (Continued on Page 23)

Street Talk

With most media predicting a soft sales picture in the first half of 1986, do you see any new advertising categories that will emerge to pick up the slack?

James Spero, senior vp-media director, Doyle Dane Bernbach/West, Los Angeles: "Not really. The reason is that the softness is very general; buying won't flow from newspapers into television or vice versa. It has affected all media and no new categories like the computer field of the past are on the horizon. Categories don't develop that quickly."



J. SPERO



C. BACHRACH

Charles Bachrach, senior vp-network and programing, Western International Media, Los Angeles: "I'm not sure we'll see new or developing categories. What we might see is current categories rethinking what they buy. Spending patterns may change; for example, advertisers who don't have sale or release dates and can hang around and wait may come to the forefront. There may be a shift to more opportunistic spending rather than scatter. You may see, not on national tv, but on cable, new categories like real estate investment and health products."

Marshall Karp, executive vp-creative director, Marshalk Co.: "No. Granted, with the availability of 15-second commercials a lot of smaller advertisers will now be able to afford to go on the tube. However, they won't have big enough budgets to have a major impact on the networks' problems. For the media to turn around, the economy will have to turn around."



M. KARP

Presstime

Discover goes national

CHICAGO—Sears Financial Network has moved up to this month the national rollout of its Discover credit/financial services card. Spreads break Jan. 23 in the *New York Times*, *USA Today* and *Wall Street Journal*, followed by two 60-second spots airing Jan. 26 during Super Bowl XX. The estimated \$40 million "Dawn of Discover" campaign, handled by J. Walter Thompson USA, will include continuous direct mailings, national and local print ads, plus network and local radio and tv spots throughout 1986. A Sears spokesman said the national launch was moved up from April "due to overwhelming response" to the card in Georgia and San Diego pilot markets.

Pepsi to sign Glenn Frey

PURCHASE, N.Y.—Pepsi-Cola USA reportedly is closing a deal today with former Eagles singer Glenn Frey, who will team up with "Miami Vice" star Don Johnson (AA, Dec. 26) as the headliner in Pepsi commercials this year. BBDO, New York, handles.

Cooler response to Bears

STOCKTON, CAL.—California Cooler is placing large football-shaped stickers, tied to the run for Super Bowl XX, on supermarket refrigerators carrying its product. The Brown Forman unit hopes the Los Angeles Rams will upset the Chicago Bears Jan. 12 to give the "One more reason



C. BOTWAY

Clifford Botway, chairman, Clifford A. Botway Inc., New York: "I don't see it happening in the coming year. I do believe we'll see some increase in the service categories, such as financial services, but there will be no substantial increases to cover or compensate for the computer hardware and software category cutbacks."

Howard Nass, senior vp-media, Cunningham & Walsh, New York: "The high-tech guys who spent tons of money are coming to a standstill. There are only some left who spend reasonable amounts. The only things that may change the market are politics, since some Senate seats are coming up, and maybe the airline wars, which are warming up. These megamergers may also change things. Two years ago I would have said computers or banks. Now there's a trend toward brokerage houses going toward the average joe."



H. NASS

REGULAR FEATURES

ADVERTISING MARKETPLACE	19
ADWHIRL	8
BRADY	17
CURRENTS	6
LETTERS	21
PARTING SHOT	18
PEOPLE PATTERNS	13
PRESSTIME	3
MEDIA MOVES	22
WORDS FROM GARTNER	17

Vol. 57, No. 2—ADVERTISING AGE (ISSN 0001-8899) is published twice weekly except once a week the first week in January, the first week in July, the fourth week in November and the fourth week in December at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, MI 48207. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. \$1.25 a copy on Monday, 75¢ a copy on Thursday, \$55 a year, \$100 two years. Add \$143 per year for air delivery to Europe & Middle East. Add \$49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; JOHN HUFFMAN, fulfillment director; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, MI 48207 (313) 446-0494.



ADVERTISING AGE Thursday asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE Thursday, 220 E. 42nd St., New York 10017.

Special Report

Consumer Electronics

Christy Ellis

Families tune in for efficiency, entertainment

By Len Strazewski

Dinner is in the kitchen microwave and Ozzie is crunching numbers on his personal computer in the den. Harriet is running late and calls in on the station wagon's cellular telephone.

Ricky is listening to a compact disc in his bedroom and David is watching a "Dynasty" rerun he taped last night on the family room videocassette recorder.

They'll soon gather at the table for their evening meal, but a few minutes after, each will return to his own electronic hearth for homework or the evening's entertainment.

Is this the typical American family? Not yet, but a lot has happened since the days when everyone clustered around the single family tv set to watch the misadventures of the Nelson family or sat around the one radio or phonograph to hear

Ricky sing "Hello, Mary Lou." Ever-busier families are investing a substantial share of their disposable income to make their homes as efficient and entertaining as possible.

The Yankee Group, a Boston-based market re-

search company, estimates about 11% of American families, or about 9.2 million households, are now "technologically advanced families," about twice as many as a decade ago.

These families are integrating consumer electronics into their life styles—planning their schedules on personal computers, waking up to digital alarms, cooking in microwave ovens, listening to personal stereos on their way to work or school and spending their evenings listening to high-fidelity audio or watching time-shifted tv programming on vcrs.

"TAFs are the families that master technology for the purpose of furthering their quality of life and fostering the participation of the family unit in the computer age," says Yankee Group senior analyst Donna Amrhein. "But they don't just buy anything with bells and whistles."

Technologically advanced families are a step
(Continued on Page 10)

Electronics purchases made in last 12 months

Item	% of U.S. households
Tv set	23.4%
Microwave oven	13.6%
Blank videocassette	9.9%
Videocassette player/recorder	8.5%
Separate audio component	6.4%
Portable/walkabout stereo	4.5%
Prerecorded videocassette	3.0%
Electric portable typewriter	2.4%
Compact or console stereo	2.0%
Food processor	1.8%
Burglar alarm/security system	0.7%
Compact disc player	0.3%

Source: 1985 SMRB Study of Media and Markets.

Tv marketers try to focus advertising picture

By Pat McGeehan

Most consumers can remember when the biggest choice they had to make before buying a tv was whether to get a color or a black-and-white set.

It's not that simple anymore.

Today, black-and-white tvs are passe and color tvs are available from pocket size to screens large enough to cover a wall. The "boob tube" has given way to command centers that can receive signals from outer space and control everything from a multimedia home entertainment system to family finances.

Consumer electronics technology has been progressing at a dizzying rate in the past few years, leaving tv makers racing to the market with the latest features without spending much time or money to explain to consumers what's what.

With an ever-increasing number of competitors in the field—several Korean companies have entered the U.S. market in the '80s—a costly price war is being waged. As prices and margins plummet, one of the first manufacturer expenses to be slashed is advertising and promotion spending.

While high-end producers like Sony Corp. of America continue to advertise heavily, many of the low-end marketers rely on their big-spending counterparts and retailers to lure consumers to the point of sale, where they hope their prices will speak for themselves. Fierce pricing battles have divided tv buyers into two basic groups: Videophiles who appreciate new high-tech features and are willing to

pay for them as soon as they're available, and price-conscious purchasers looking for a bargain.

"We've done a great job of training the consumer to be very price-sensitive," says Lucy Sherrill, with more than a hint of sarcasm. Ms. Sherrill is marketing manager-color tv for General Electric, Fairfield, Conn.



Zenith tv ads, including one produced and broadcast in stereo, promote its "Smart sets." Foote, Cone & Belding, Chicago, handles.

Ms. Sherrill says she thinks high-tech innovations, such as flat picture tubes, larger screen sizes and stereo sound, will help reverse price and margin erosion—at least for a while. The key, she says, will be for tv marketers to find ways to reduce their costs so the inevitable price-cutting won't decimate profits.

The introduction of stereo, or multi-channel sound (mts) as it is known officially, is looked to as the most likely savior of a flat tv industry. Penetration of color tv is very close to the 100% mark,

and 1985 sales are expected to be up only about 4% over 1984.

Because the average lifespan of a modern color tv is eight to ten years, tv makers have sought to accelerate replacement of current sets by developing new, must-have features. In stereo, most think they have hit on such a selling point.

"What stereo has done," Ms. Sherrill says, "is made sound quality the No. 2 or 3 attribute that consumers are looking for when buying a tv. Three years ago, sound quality would have been near the bottom of the list."

"The excitement of stereo tv sound is like the excitement that was caused by stereo audio sound 15 to 20 years ago," says Dick Komiya, president of image display devices for Sony, Park Ridge, N.J. "Sound quality has always been a very important aspect of home entertainment. As home electronics is getting more sophisticated, one area that has been slow in developing is tv sound. Even home vers, which was a much later development than tv, had stereo capability before tv."

Development of stereo tv and stereo broadcast technology was slowed by a basic chicken-and-egg dilemma. Tv makers were in no hurry to market stereo tvs when there was scant stereo programming on the air. Commercial broadcasters, meanwhile, had no incentive to invest in stereo broadcasting equipment when consumers were unable to receive the signal.

Hardware producers showed they were willing to meet broadcasters halfway by manufacturing tvs capable of receiving stereo sound—but not by themselves.

The sets, which cost \$100 to \$200 more than conventional tvs, have multiplex (mpx) jacks through which a separate mts decoder can be connected.

While the commercial networks fiddled, the Public Broadcasting Service, led by Chicago's WTTW-TV, began airing a smattering of programs, mostly musical, in stereo. PBS-type broadcasting doesn't attract the masses, however, so only true audio/videophiles were encouraged to plunk down more than \$1,000 to experience the added dimension.

Not until NBC-TV stepped away from the pack in 1984 and began broadcasting selected programs, including the Major League Baseball All-Star Game and "The Tonight Show," in stereo did it begin to take shape as a wave of the future. NBC now makes available 20 hours of stereo programming a week, most notably music-oriented shows such as "Miami Vice." More than 50 NBC affiliates broadcast in stereo.

ABC-TV this season offered only one regular program, "The Insiders," in stereo, but the network says it is gearing up to expand its offerings. CBS-TV says it has no immediate plans to join in.

Industry experts say as many as 250 stations will be airing some portion of their programming in stereo early this year and many expect to see that number rise by about 100 during 1986.

Now that NBC has shown its commitment to stereo, "the other networks will be dragged into it," says Tom Lauter. (Continued on Page 12)

Families tune in for efficiency

(Continued from Page 9)

up and away from the electronics buffs who used to lead the consumer electronics field, Ms. Amrhein says. Because they buy practical products with mass-market potential, these families are the group for electronics marketers to watch.

"They are the investigators and they make the decisions as to whether a product offers enough performance for the price. What they do determines the direction of the mass market, since their homes become showcases for the products," she says.

Like the steady growth of the technologically advanced family, the direction of the consumer electronics mass market is up. Since 1975, factory sales of consumer electronics products in the U.S. more than quadrupled from about \$5.2 billion to \$23.4 billion in 1984, according to the consumer electronics division of the Electronic Industries Assn., Washington. Including retail markups, the domestic consumer electronics market topped \$35 billion in 1985, according to industry estimates.

Color tv sales have more than doubled from \$2.3 billion in 1975 to more than \$5.5 billion in 1984. Audio systems and components grew from \$1.1 billion to almost \$1.9 billion during that period, and even home radios, the oldest consumer electronics

product category and generally considered the most static, grew from \$372 million in 1975 to \$661 million in 1984.

New products such as home computers, software, video games, telephones, telephone answering devices and video discs stimulated additional industry growth of about \$5.7 billion in 1984, up from about \$7 million in 1980 when the industry first began recording those categories.

"What's happened is that over the years, the consumer electronics industry has moved from the high-tech gadget business into the home entertainment business—and now it's moving into the life-style business," says Jack Wayman, senior vp of the EIA and founder of the twice-yearly Consumer Electronics Show.

"When we first founded CES, we considered calling it the Home Entertainment Show, but we changed our minds at the last minute to broaden the subject areas. I'm glad we did," Mr. Wayman says. "We wanted the show to demonstrate how consumer electronics enhanced the quality of life. Now enhancing life styles has become the overriding goal of the show."

He says the 18-year-old CES mirrors the industry; since its founding, the industry has expanded from three basic product lines (tv, radio and audio equipment) to about 25 product lines, including video recorders and cameras, telephones, satellite

dishes, computers, microprocessor-based appliances and even kitchen products such as microwave ovens.

FOLLOW THE BOUNCING BALL.

In 1986, follow the leader. As our colorful sphere moves across your counters on our powerful line of video, audio and floppy disk products.

Our sphere moves mighty fast. Why? Because the new, highly recognizable Scotch[®] packaging identifies us as a leader. And because Scotch Magnetic Media will help to pre-sell your customers with the most extensive promotion and advertising programs available in the industry.

In addition, our strong retail management expertise and our unique shelf management kit will boost your return on investment. And only the Scotch Magnetic Media nationwide sales force can give you programs flexible enough to fit your needs.

Scotch 3M

Software marketers, including 3M, are stressing unified package designs in an effort to build brand loyalty.

Miniaturization and product economy also have spurred industry growth, he says. "As I promote the industry in speech around the country, I can carry 15 of the 25 product lines around the country with me in a single footlocker."

Video is still the hot product area and has produced the most sweeping effects on the industry, observers say.

"Most people don't realize that video has become as influential a communications me-

dium as cable television, broadcast television, magazines, whatever," says James Meigs, senior editor of *Video Review*, New York, the largest of the national video publications with more than 370,000 circulation, accord-

ing to Audit Bureau of Circulations' June 30 report.

"The whole structure of the way people get entertainment has changed as a result of the video movement," he says. "People are making more and more changes in their home environment to enhance video use. People who had only a small interest in technology prior to their purchase of a vcr are now looking at larger screen color tvs, small projection tvs, enhanced sound systems and hi-fi speakers for

their video components."

Hot video products for 1986 include hi-fi vcrs, stereo tvs or universal stereo decoders for existing units, and 8mm videotape for film buffs, he says.

* The need to manage this complex array of products has led to a trend toward integration of function and design.

"The nature of what consumers are looking for in electronics is a way to simplify their lives—a way to get their electronics to operate on an automatic basis," says William Smith, general manager-consumer electronics product department, General Electric, Portsmouth, Va.

Last year, General Electric introduced two electronic control products: The \$500 Home-Minder, which allows consumers to use their tv screen to program and control home lighting, heating and entertainment equipment from a central panel, and the \$150 Control Center, designed to link electrical systems that use infrared controls, such as vcrs, cable systems and some audio products.

"The consumer is concerned about the clutter that results from all these electronics, each with a separate control panel," Mr. Smith says. "Simplification has been the big trend for the past 10 years, and I expect it will continue to be so for the next 10 years and beyond."

In addition to miniaturization and integration, family involvement is shaping the marketing of consumer electronics products, marketers say.

"We've gone to a family package design for all our software

Fashion appeal colors product lines

By Pat McGeehan

Upon entering the average American home of the middle '70s, a guest may have felt compelled to don a pith helmet and safari jacket before venturing through the jungle of wood-grain electronics.

Wood grain, the conventional thinking went, is the only finish that could fit into the standard home design scheme. After all, what goes better with wood?

But today, as more and more social conventions fall by the wayside, electronics marketers are taking a new view. Why not liven up the place, they're saying to consumers, with a pink microwave and a green tv and a lavender clock/radio?

"People today are very life-style driven," says Dan Infanti, manager-corporate communications and marketing for Sharp Electronics Corp., Paramus, N.J. "In the past, Americans were willing to try new things outside but were more conservative inside."

Sharp, whose parent company is based in Japan, was one of the first electronics marketers to capitalize on the fashion appeal of colors when in 1984 it introduced the QT50, a portable radio/cassette player, in pink, green and white.

This week's Consumer Electronics Show in Las Vegas, Nev., features a full spectrum of color from several marketers.

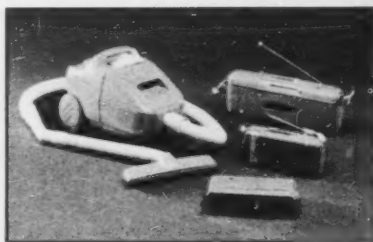
"There will be a lot more color than you've ever seen," says Tom Lauterback, vp-pr for Franklin Park, Ill.-based Quasar, which in mid-1985 made a big splash

with its Fashion Accents line of 10-in. tvs in several colors, which sell for \$200.

Manual models of Fashion Accents will be available this year in white, blue, almond and pink. Models with remote-control units that look like mini-tvs already are available in red, white, yellow and blue, and the company plans to introduce new colors at this summer's CES in Chicago.

Quasar featured Fashion Accents in its 1985 magazine ads. But most companies aren't playing up color in their advertising, primarily because the products are low-priced and four-color print and tv advertising aren't.

In addition, Mr. Lauterback says, to



some extent these products advertise themselves; he cites "how fantastic color is at the point of sale."

Quasar is trying to carry the popularity of Fashion Accents over into the portable audio segment by introducing Fashion Mini radio/cassette players in blue, red, yellow and black. The units resemble Sharp's QT50 but are a little slimmer.

"Just about everybody tried [colors] in



This week's Consumer Electronics Show will feature color products from Sharp (l), while Quasar will introduce new colors to its Fashion Accents line.

the '60s," Mr. Lauterback says, pointing out that the idea never caught on then. "This time our timing was right."

Greater emphasis also will be placed on color in Sony Corp. of America's new offerings, which already include 20 and 25-in. tvs in plum, beige, pearl and black (suggested retail prices: \$900 and \$1,200), says a spokeswoman for the Park Ridge, N.J.-based company. New technology comes along every few years, she says, "so I think color is going to be relied on more and more to provide excitement."

But at least one electronics company isn't getting too excited about color. After conducting focus group interviews, General Electric rejected the idea of adding colored cabinets to its tv line. "We did a bunch of consumer research and colors bombed," says Lucy Sherrill, General Electric's marketing manager-color tv. "What we found was that consumers wanted wood grain-type cabinets."

"Quasar has a hot little product in that [QT50]," she says. "But I think it's a small niche opportunity. The next company that tries to jump in there is probably going to be disappointed."

That would be bad news for Sharp, which this week is introducing colored tvs in screen sizes ranging from 13-in. to 3 1/2-in. in black, blue, white, yellow, green and pink. Other colorful products Sharp is introducing this week include \$125 Half Pint mini-microwave ovens in white, red, powder blue, pink and yellow; canister vacuums in white, green and pink, all with gray stripes; its first line of clock radios, in lavender, pink, green and white with a \$25 price tag, and a compact, \$50 version of the QT50 called the QT5 in white, lavender, pink and green.

Sharp sees the 18-to-34-year-old age group as the primary market for colored products, considerably younger than the target for high-end electronics. But that doesn't mean this passion for pastels is a passing fancy, Mr. Infanti says.

"We don't believe that color's a fad. We believe that this is a trend," he says. "And the ability to identify and create a trend is what separates the good companies from the great companies."

products such as audiotape, videocassettes and computer floppy discs," says Don Linehan, marketing communications manager of 3M, St. Paul, Minn. "The consistency of image and recognition is of great value as the market for these broadens."

As audio, video and computer hardware become more pervasive in the home, consumers will

buy in larger amounts and seek consistent quality. Unified package designs will lead to that recognition and brand-loyal purchases, he says.

"And even though vcr penetration, for example, is only about 30%, we are already seeing focus group homes with two or three units. That means that the head purchaser of the family

is buying a box of 10 videocassettes and distributing them to various family members for use on the units."

Advertising creative, managed by Grey Advertising, New York, also reflects the family motif, Mr. Linehan says. Print advertising for 1986 shows 3M's Scotch brand tape products in use in a family environment, and

tv spots, still in production, split between family setting and high-tech features, he says.

Maxell Corp. of America, Moonachie, N.J., another tape manufacturer, also is marketing more directly to family users, according to Bill Tucker, senior vp and management representative of Scali, McCabe, Sloves, New York, the company's long-

time agency.

"There was a time when we marketed products to the audiophile, and what he was interested in was high tech," Mr. Tucker says. "Audio salespeople sold to audiophiles and the market was reached with magazines like *Stereo Review*."

"But as products got more sophisticated, they also got cheaper and available to more people. Now vcrs are available to mass markets and videotape must also be promoted for mass use," he says.

Tape manufacturers have become more like package goods marketers, fighting for shelf space with other manufacturers and other products.

"We can't just market high tech anymore and we can't talk down to consumers," Mr. Tucker says. "We have to acknowledge that our products are used by families and our advertising must reach broader markets."

Another Scali client, Sharp Electronics Corp., Paramus, N.J., also is modifying its marketing. A manufacturer of microwave ovens as well as other consumer electronics, Sharp is trying to develop brand loyalty that cuts across product lines, Mr. Tucker says.

"Seven or eight years ago, microwave ovens were generic. Now, brands are more diversified and it's important to emphasize brand quality," he says.

Above all, marketers are realizing that the technologically advanced family now is looking for quality, not just gadgets. Ozzie and Harriet wouldn't have it any other way.

Building the right look, sound into media room

By Van Wallach

The thing of the week is projection tv," says Alan Lucas of Alan Lucas & Associates, a San Francisco interior designer. "After the Mercedes, the Jacuzzi and the tennis courts, that's what my clients want."

But, Mr. Lucas says, "Without good planning this creates a large lump in the room, and looking at the black all-seeing eye is not pleasant."

For many of his clients, the solution is a media room, an expensive showcase of interior design and superb electronics. The design alone costs \$20,000 minimum, the equipment another \$5,000 to \$150,000.

At this level, price becomes less a concern than aesthetics and audio-visual performance—and getting the right stuff requires more than a trip to the stereo store. "The big retailers aim for the middle-low market, not the middle-high," Mr. Lucas says.

Because customers usually lack the expertise to assemble packages, they and their interior designers rely on consultants, who may select ready-made equipment but customize it to fit a room's design.

Free-lance writer Van Wallach's media system includes two tvs and three radios in a one-bedroom apartment.

For example, audio consultant David Lynn, president of Sound Design & Engineering, North Miami Beach, Fla., refinishes components in brass, chrome, gold, lacquers—whatever the client wants. A new faceplate for a \$1,800 Nakamichi USA Corp. cassette deck can cost \$600. "I've had an artist paint speakers to match wallpapers," he says. "Concealment is important."

But even off-the-shelf components look better these days. Designers say the "dancing lights" syndrome, where manufacturers glitzed up equipment with blinking lights, is fading.

Leaders in electronics design emphasize clean, simple executions. Mr. Lynn likes Canton North America's speakers, priced at \$250 to \$3,500 a pair, which come in different colors and woods.

Both Mr. Lucas and Mr. Lynn mention Bang & Olufsen a/s, Struer, Denmark, as a pacesetter in stereo design as well as performance. In fact, New York's Museum of Modern Art displays 10 pieces of B&O equipment, according to Keld Hanson, audio products manager for Bang & Olufsen of America, Mount Prospect, Ill.

"Simplicity is the key," says Mr. Hanson, whose company uses rosewood, teak, oak and white birch in its products. "As electronics become extremely complex, other manufacturers put on knobs and buttons

and dials. We package the complexity within. It's a European design approach."

In addition to these sophisticated off-the-shelf designs, companies package electronic products as so-called rack systems. RCA Corp.'s remote-controlled Dimensia system, for example, features a 40-in. projection monitor, stereo videocassette recorder, compact disc player, turntable and audiocassette deck.

"It's much easier to create an original look for a client that way," Mr. Lucas says.

Design problems start when consumers add components like compact disc players to existing systems and nothing matches. Mr. Lucas then opts to conceal the electronics in cabinets with doors.

"You can put new faceplates on the components," he says, "but to me that's not as good as getting an integrated unit."

But audio wizard Mr. Lynn has his doubts about the all-in-one approach, which he believes often results in a tradeoff between design and sound quality. "Packages look neat, and for \$1,200 you can get a compact disc, dual cassette deck, the whole nine yards," he says. "They look great, but they are not great quality. The best equipment is not necessarily the prettiest."

"Enthusiasts who pay \$5,000 for an audio amplifier aren't looking for aesthetics but for realistic sound."

MediaWorks

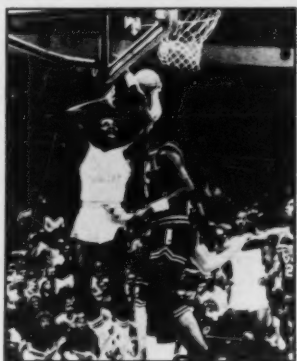
TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"East/West Shrine Game," the football game featuring college seniors, has eight 30s left on its Jan. 11 broadcast from Palo Alto Stadium. Mizlou Programming, New York, is asking \$17,500 per 30 for the 3 p.m. (ET) broadcast. The show has been cleared in 60% of the U.S. and has a projected 4 to 5 rating.

"The Senior Bowl," also handled by Mizlou, has four 30s left on its Jan. 18 broadcast from Mobile, Ala. Unit costs for the broadcast are \$17,500 per 30. The game is cleared in 78% of the country and Mizlou is projecting a 4 to 5 rating.

"The National Invitational Basketball Tournament" final game at Madison Square Garden has four 30s left at \$22,500 each. Advertisers that already have purchased two minutes include Mercedes-Benz, Miller Brewing



and Hayes Computer. The March 26 broadcast at 9 p.m. has an 83% clearance level and will achieve a 4.8 rating, according to Mizlou.

"College Basketball" on Entertainment & Sports Programming Network has spots in most of its 18 prime time and one non-prime games through Jan. 25 featuring teams from the Metro Conference, ACC, Big East and Southwest Conference. No pricing revealed. Already in are

BMW, Chevrolet, Dodge, Lincoln-Mercury, Mercedes-Benz, PaineWebber and the Joint Recruiting Advertising Program of the U.S. Armed Forces.

"USA College Basketball" on USA Network on Wednesday and Thursday East Coast prime time through January. Asking \$2,400 per 30, with Toyota, Ford and Levi Strauss already in.

"Senior Bowl," a college football all-star game at 1 p.m. Jan. 18 on cable tv's USA Network, is getting \$2,000 per 30. No advertisers revealed.

"National Hockey League" Sunday prime time games on ESPN have scattered avails through Jan. 25. No rates revealed.

"Friday Night Fights" on USA Network has spots left for the Jan. 24 bouts from Madison Square Garden. Fights start at 9 p.m.; USA wants \$1,800 per 30.

"AT&T Challenge Cup Tennis" runs live on USA Network starting at 11 p.m. from Jan. 8 through 10. Asking \$2,000 a 30. AT&T, Volvo, Ford and Levi Strauss already signed. ■

ON THE DIAL

Scheduled radio specials and new programs or syndicated series.

"Dire Straits" special stereo simulcast broadcast will air Jan. 17 on Showtime pay cable service and Westwood One Radio Networks, Los Angeles. The hour-long concert, preceded by a 15-minute interview with the band, was recorded live at Wembley Arena in London. Clearance on 150 stations. Advertisers include Sony and Stroh. Ad closing date is Jan. 8.

"Sassy Stars of Rock & Roll," sponsored by Coca-Cola's Tab ("Tab's got sass"), is a new monthly one-hour live special that spotlights a provocative rock personality each month. Syndicated by DIR Broadcasting, New



DIRE STRAITS

York, and hosted by Lisa Robinson, the show targets women 18 to 34. Premieres Jan. 18 with featured guest Pat Benatar live from Los Angeles. Also available is a bonus show Jan. 26 featuring Sting, live from London.

"An Affair of the Heart" is a

24-hour Valentine's Day (Feb. 14) special featuring music appropriate to four of Dallas-based Satellite Music Network formats, which include Heart & Soul urban, Country Coast-To-Coast, StarStation adult contemporary and Stardust traditional/nostalgia. Cleared on 525 stations. Advertisers undetermined.

"John Lander's Hit Music USA" is a four-hour weekly show from United Stations Radio Networks, New York, featuring the program director and morning air personality on Houston's highly successful KKBQ's "Q-Zoo" show. The show starts Jan. 11. Many of Mr. Lander's on-air characters will be included, such as psychiatrist Dr. Fraud, Mr. Potato Head and Timmy the Paper Boy. There will be toll-free audience phone-ins. No information on advertisers. ■

NEWSSTAND

With this issue, MediaWorks introduces Newsstand, a listing of upcoming print advertising opportunities, such as special issues and special advertising sections.

New York, New York, personal-investment guide special advertising section, Feb. 17 issue; ad close: Jan. 20. B&w page, \$11,810; color page, \$18,600.

Runner's World, Emmaus, Pa., annual shoe survey, April issue, moved from October, where it has appeared for 11 years; ad close: Jan. 20. B&w page, \$8,310; color page, \$12,455.

Boy's Life, New York, special 32-page editorial section in its March 75th anniversary issue; ad close: Jan. 22 (materials). Color page, \$16,560.

Working Woman, New York, special two-part editorial section, "The year of the woman business traveler," April issue; ad close: Jan. 24. B&w page, \$15,250; color page, \$20,900.

NASA Tech Briefs, New York, bonus distribution of its March/April issue at six trade shows, including both Comdex Expos; ad close: Jan. 25 (orders), Feb. 5 (materials). B&w page, \$4,990; color page, \$5,985.



Prevention, Emmaus, Pa., "Countdown to summer beauty" editorial section, with color-page advertisers qualifying for product inclusion in a cosmetics travel bag offer to readers; ad close: Feb. 1, products due March 15. Color page, \$27,550.

Us, New York, eight special theme issues in '86, including "summer fun" and "the 10 sexiest men." The first, the Academy Awards, is on sale March 10; ad close: Feb. 11. B&w page, \$14,780; color page, \$19,080.

Baby! New York, second issue, May distribution; ad close Feb. 13. B&w page, \$65,000; color page, \$80,000.

Computer Retail News, New York, introduction of Micro-

Product Review, a glossy pullout tabloid supplement, with seven issues in '86. The second, covering power-protection equipment, is dated March 17; ad close: Feb. 24. B&w page, \$4,305; color page, \$5,205.

Barron's, New York, first of two '86 fashion sections, "The Executive Image: The Power of Fashion," March 17 issue; ad close March 8. B&w page, \$13,250.

Closings next week: East-West Network, New York, personal-finance supplement, March issues of 10 in-flight publications, Jan. 15. **Rx Being Well,** New York, special allergy-medication guide and "mineral myths and facts," March/April issue, Jan. 15. ■

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. Source: Nielsen Overnight Ratings.

Show	Week ending	1/2	12/26	12/19
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		27	28	33
2. "60 Minutes" (CBS)		23	20	20
3. "Family Ties" (NBC)		21	22	27
4. "Cagney & Lacey" (CBS)		19	—7	—7
5. "Murder, She Wrote" (CBS)		13	DNA	11
6. "Kate & Allie" (CBS)		13	—3	—7
7. "Newhart" (CBS)		13	—4	—7
8. "Miami Vice" (NBC)		11	10	7
9. "Golden Girls" (NBC)		10	11	10
10. "Scarecrow & Mrs. King" (CBS)		10	2	3

GOOD WINNERS

11. "Fast Copy" (NBC)	8	DNA	DNA
12. "Facts of Life" (NBC)	7	5	13
13. "Who's the Boss" (ABC)	7	4	8
14. "Cheers" (NBC)	7	4	10
15. "Orange Bowl" (NBC)	6	DNA	DNA
16. "Crazy Like a Fox" (CBS)	6	—1	—10
17. "CBS Special Movie: Intimate Strangers"	5	DNA	DNA
18. "227" (NBC)	5	6	5

BORDERLINE WINNERS

19. "Growing Pains" (ABC)	4	2	4
20. "Rose Bowl" (NBC)	4	DNA	DNA
21. "Webster" (ABC)	4	DNA	3
22. "Knots Landing"	4	7	5
23. "Trapper John, M.D." (CBS)	4	DNA	1
24. "Hunter" (NBC)	3	3	1
25. "Moonlighting" (ABC)	3	0	4
26. "Gimme a Break" (NBC)	3	DNA	12
27. "Night Court" (NBC)	3	—1	6
28. "Mr. Belvedere" (ABC)	2	DNA	DNA
29. "Spenser" (ABC)	1	0	—5
30. "CBS Tuesday Night Movie: Night Shift"	1	—4	—4

BEHIND THE SHARES

It was holiday week at the networks, a fact amply reflected in their schedules. There was stunting as well as football bowl games, new series, Christmas specials. The erratic behavior of some of the usual winners showed it. Take **Scarecrow & Mrs. King**, which usually wins the laurels during its Monday berth: last week it hit the big 10 in share dominance. However, it is usually only a marginal winner at best. In fact, CBS got a lot of gifts during the week ending after New Year's Day. The network scored 11 wins in the top 30, virtually blasting ABC out of the water. ABC's problem was football. Monday night's **Gator Bowl** performance was inept at best, allowing four CBS shows impressive wins. A resurgent **Monday Night Football** this year has tackled the CBS Monday foursome without fail every week. **Kate & Allie**, **Newhart**, and **Cagney & Lacey** each had impressive upsets last week. But ABC's problems didn't stop there. A sour **Sugar Bowl** on Wednesday, pitting Miami against Tennessee, wiped out the sweetest night on the ABC schedule. The game got an amazingly bad 10 share. But while football hurt ABC, NBC's fortunes were enhanced by both the **Rose** and **Orange Bowls**. Thanks to a competitive match that did not deteriorate until late in the fourth quarter, NBC scored a 33 share on Wednesday night. However, the Wednesday night New Year's crown goes to CBS, which won the night with a movie, **Intimate Strangers**. Score one for sex versus football. The dominant shows of the year continued to display their winning ways. **Cos**, **Family Ties** and **60 Minutes** show no sign of weakening. Missing from the front line was Dallas, preempted by The Kennedy Center Honors...**Miami Vice** built its audience base, even after moving to a temporary 9 o'clock berth. At 10, NBC threw in a rerun series, **Fast Copy**, which showed good numbers thanks to Vice...ABC is solidifying its hold on Tuesday night. The network handily won the night with its lineup but the network's schedule crew has to be particularly happy with **Spenser: For Hire**. This show finally edged out a fading **Remington Steel**. Both shows have been nip and tuck for several weeks now...NBC finally won the entire Saturday slate, a feat made possible by the absence of **Love Boat**. The Boat was temporarily berthed for an ABC News closeup, **Growing Old in America**. Saturday Night on NBC is gelling. All of the net's shows, with the exception of **Gimme a Break**, now are winning with regularity.

Index to Advertisers

Apco-Apeta/Rik Shaw Associates 8
Home Center Magazine 13

ICC/International Cube Corporation 8
Kimberly-Clark Corp. 8
New York Communications Center 8
TV Guide 24

Monday, January 13, 1986

Advertising Age

Crain's International Newspaper of Marketing © Entire contents copyright 1986 by Crain Communications Inc. All rights reserved.

D AGE SOUNDING BOARD

ADVERTISING
CHALLENGES FOR 1986

SLIMMED DOWN
AD BUDGETS

MORE CREATIVE
STRATEGIES A KEY GOAL

MEDIA PLANS WITH
A SHARPER FOCUS

**Ford puts
account up
for review
in Germany**

— Page 1

**Playboy
interrupts
ads in tv
campaign**

— Page 3

**Sid Caesar
at NATPE**



America's favorite tv comic of the '50s tells why he'll be in New Orleans to promote a new syndicated series based upon "Your Show of Shows."
— Page 60

**'Mother's'
intuition
keeps book
up to date**

— Page 40

NEWSPAPER

*****5-DIGIT 20014
CONGLI AA 860299 99 ZPA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

1986: A challenging year for advertising

By HERBERT ZELTNER

The "go-go" years for advertising spending in the U.S. seem to be ending.

Gone are double-digit annual increases in budgets accepted just to maintain "share of voice." Gone are 15%-to-20% hikes in media costs, passed on (after sometimes considerable grumbling) by agencies to clients and then by marketers to their customers.

And gone, as well, are many of the comfortable relationships and routine practices used to develop creative work and build media plans—well worn ways of doing things, refined and improved over a generation of remarkable stability and satisfaction.

Budgets, media get scrutiny

It's been a golden age of network tv dominance, aggressive new-product introduction, record budgets and traditional package-goods leadership. But all this seems up for grabs now as advertising enters the second half of the 1980s, in the widely held view of members of the ADVERTISING AGE Editorial Sounding Board.

Some of the key findings of a poll dealing with spending trends, budget making and advertising productivity conducted during the fall of 1985:

● 1986 advertising budgets, over-all, will be up modestly, with a sizable minority holding even or dropping. Forty-eight per cent of panel participants (both client and agency) see spending levels up—but by less than 10%. Another 15% see them unchanged or actually cut. In fact, fewer than one in 20 expect budget increases above the 20% mark.

Agency management, on the other hand, is quite a bit more optimistic—with only one in eight expecting budget cuts in the coming year among their clients. But here, too, a more conservative view seems to be emerging. More than half the agency executives sense a slowdown in spending, in contrast to only 6% who see more rapid gains ahead.

● That this is a marked change from recent practice is borne out by the Sounding Board views on how spending trends are changing. Forty-one per cent of the company executives in our survey state that year-to-year budget hikes are slowing down. Another 27% note that dollar investments in

(Continued on Page 28)

Monday, January 13, 1986

Advertising Age

Crain's International Newspaper of Marketing

Ford sets review in Germany

By DAGMAR MUSSEY and JESSE SNYDER

The Ford Motor Co. in Germany is reviewing its \$26 million account, and Young & Rubicam stands a good chance of taking it away from J. Walter Thompson Co., Ford's biggest agency in Europe.

A decision is expected by mid-February. Both JWT and Y&R are making presentations to Ford at the end of this month.

The decision will be made by executives from Ford of Europe, Ford of Germany and Ford's worldwide marketing staff, but is subject to review by Ford Motor chairman Donald Petersen, who will not sit in on presentations.

The German account is Ford's biggest on the European continent, although the U.K. account is bigger (Continued on Page 62)

Ohlmeyer gets \$250 million in buying from Y&R

RJR broadcast goes in-house

By WILLIAM F. GLOEDE

R.J. Reynolds Industries has moved about \$250 million in network and spot broadcast-media buying responsibility from Young & Rubicam to Ohlmeyer Communications, giving Reynolds the largest in-house media operation in the advertising business.

Reynolds, which acquired a 50% interest in Ohlmeyer when it

merged with Nabisco Brands in June, had been considering the move for several months.

The switch to Ohlmeyer puts nearly all of RJR's \$1.01 billion in measured and unmeasured media spending under the direct control of the company. That surpasses Procter & Gamble, which handled an estimated \$412.7 million in network tv buys in-house in 1984, the latest full-year figure available.

Increasingly of late, major adver-

tisers have moved media buying in-house from their agencies as they try to control rising costs and audience shifts among all media. Among the clients that have gone this route, in addition to RJR and its Nabisco unit, are Anheuser-Busch and Jos. E. Seagram & Sons (AA, Nov. 25). Others have reassigned media buying along daypart lines.

Sources, who would not speak for attribution, said they believe Dan Pearson, director of Reynolds'

existing print and outdoor media unit, will oversee broadcast as well. RJR declined comment.

An agency executive who is familiar with Reynolds said he was not surprised by the move.

"They have the critical mass that makes it work," the executive said. He added, "Agencies don't really suffer" when a client takes media in-house.

Y&R continues to handle crea-

(Continued on Page 66)

Last Minute News

Time for Citizen Watch to review agencies

LYNDHURST, N.J.—Citizen Watch Co. of America reportedly is reviewing its \$10 million-to-\$15 million account, currently at Levine, Huntley, Schmidt & Beaver, New York. Citizen had "no comment," but sources indicated the Japan-based client conducts this review annually.

'SI,' USA Cable Network join in ad package

NEW YORK—Time Inc.'s Sports Illustrated and USA Cable Network, which is one-third owned by Time, are selling a combined advertising package including time and space in both properties. Packages run from \$50,000 to \$1 million and are split evenly between print space and cable time. Time Inc. last week decided to sell its stake in USA Network, but a spokesman said that move will not affect this combined package deal.

Hasbro talks to 50 agencies; not done yet

PAWTUCKET, R.I.—Hasbro Inc. so far has talked to more than 50 shops in the initial stages of its search for a second agency. It plans to see perhaps a dozen more this week and next. Hasbro vp-marketing Al Carosi hopes to reach a decision by the end of February. Griffin Bacal, New York, will remain Hasbro's primary agency.

Kellogg plays name game in new tv spots

BATTLE CREEK, MICH.—Kellogg Co. on Jan. 12 broke new creative for its No. 1-selling Corn Flakes. The tv spots, themed "The surprise is the people who eat them," name but do not picture famous people who eat the cereal, such as the Beach Boys, Robby Benson, Charles Bronson and Christie Brinkley. Leo Burnett USA, Chicago, handles.

Republic 'Perks' again with \$10M campaign

MINNEAPOLIS—Republic Airlines on Jan. 14 breaks a \$10 million, five-month print, radio and spot tv campaign for its expanded frequent-flyer program. Ads, continuing Republic's "Perks" theme, detail new reward tie-ins with Western Airlines, Los Angeles, and Radisson Hotel Corp., Minneapolis. Dancer Fitzgerald Sample, New York, handles. Separately, (Continued on Page 8)

\$2 mil in ads will back hot skincare item

By PAT SLOAN

NEW YORK—A new skincare system that promises to make skin look younger is lighting up the switchboard at Alfin Fragrances, which has fielded as many as 60 calls a day from consumers wanting to tap into the beauty industry's latest fountain of youth.

To be backed by an initial \$2 million print campaign in March from Drossman, Lehmann & Marino here, the new hope in a bottle is called Glycel.

Its draw is a cellular substance developed by heart surgeon Christiana Barnard and Switzerland's Schaefer Institute, which helped create synthetic penicillin (AA, Aug. 12).

Dr. Barnard's name will appear on Glycel packaging and again in print ads. The print ads, DL&M's first work for Alfin, also will carry Dr. Barnard's picture and a personalized text titled "Dr. Christiana Barnard on Aging... A discussion on aging and its effects on the skin, by Christiana Barnard, M.D."

The "magical" substance in Glycel is glycosphingolipid (GSL), described as a skin cell memory rejuvenator that binds to cells, helping skin look younger.

"The level of credibility here, I think, is outstanding," said Irwin Alfin, chairman of the cosmetics marketer. "From what I hear the consumer awareness level of Dr. Barnard is unbelievable," agreed Allan Mottus, a cosmetics consultant.

So far, retailers have purchased more than \$5 million worth of Glycel, not yet enough to scare the competition. But Alfin expects Glycel to double the (Continued on Page 66)

GET OUT OF CLEVELAND BEFORE IT DISAPPEARS.

\$29 \$99

NEW YORK AIR



Cleveland gets hot

Poking fun at Cleveland's winter in this print ad by New York Air for service from Cleveland to Florida had unanticipated results. (See story on Page 63.)

Super Bowl's ad lineup—P. 64